



# Recipient-Initiated Audit Guidance

The following guidance is a general overview of recipient-initiated audits.

## What is a recipient-initiated audit and when is it required?

A recipient-initiated audit is triggered by receiving a certain amount of Federal awards in the form of grants or cooperative agreements. Therefore, Federal funding received through other agreement mechanisms, such as Federal contracts governed by the Federal Acquisition Regulation, are not included in the threshold for recipient-initiated audits. Recipients should consult with the Office of Clean Energy Demonstrations (OCED) if they are uncertain as to whether they have had a recipient-initiated audit.

Recipient-initiated audits include **single audits** or **program-specific audits**, and **compliance audits (for-profits)**. These audits are collectively referred to as “recipient-initiated” audits. A recipient that expends \$750,000 or more in Federal awards (including Department of Energy (DOE) awards) in the entity’s fiscal year is required to conduct an audit for that year. Per [2 CFR Part 200 Subpart F - Audit Requirements](#) if the non-Federal entity is a state or local government, Indian tribe, Institution of Higher Education, or non-profit organization), it will be a single or program-specific audit. Per [2 CFR Part 910 Subpart F - Audit Requirements for For-Profit Entities](#) if the non-Federal entity is a for-profit, it will be a compliance audit.

While a non-Federal entity that expends less than \$750,000 in Federal awards during the non-Federal entity’s fiscal year is exempt from Federal audit requirements for that year, except as specified in [2 CFR § 200.503](#), they must make their records available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office. See [2 CFR § 200.501\(d\)](#); [2 CFR § 910.501\(d\)](#).

Selectees who have previously received Federal funding as part of a financial assistance award and have met the expenditure requirements to obtain a recipient-initiated audit, as described in this guidance, will be expected to provide their most recently completed recipient-initiated audit report as part of the post-selection materials. Selectees should submit this information when submitting their required documents, as instructed in the Pre-Award Organization and Financial Management Review Required Documentation, attached to the selection letter, or as otherwise instructed by the OCED.

## What are the different types of recipient-initiated audits?

**Single Audit:** A Single Audit is an organization-wide financial statement and Federal awards audit of a non-Federal not-for-profit entity that expends \$750,000 or more in Federal awards in one year conducted in accordance with [2 CFR § 200.514](#), except when a recipient elects to have a program-specific audit conducted in accordance with [2 CFR § 200.501\(c\)](#). The audit is typically performed by an independent third-party auditor, such as a certified public accountant. The Single Audit is not applicable to for-profit entities. (See Compliance Audit below.)

*This guidance document does not supersede Federal laws and regulations. This OCED guidance document is for informational purposes only and is not a requirements document. If there are inconsistencies between this OCED guidance document and any specific program or project document, the specific OCED program or project document should be relied upon as it is the controlling document.*

The Single Audit is intended to provide assurance to the Federal government that a non-Federal entity has adequate internal controls in place and is generally in compliance with program requirements.

**Program-Specific Audit:** When a non-Federal not-for-profit entity has expenditures under only one Federal program (excluding Research & Development) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit, the entity may elect to have a program-specific audit conducted in accordance with [2 CFR § 200.501\(c\)](#) and [2 CFR § 200.507](#). Please note that the program-specific audit election is not applicable to for-profit entities. See [2 CFR § 910.501\(c\)](#).

**Compliance Audit:** If a for-profit entity has one or more DOE awards with expenditures of \$750,000 or more during the for-profit entity's fiscal year, they must have a compliance audit for each of those awards. This compliance audit is a requirement of [2 CFR Part 910 Subpart F - Audit Requirements for For-Profit Entities](#), including [2 CFR § 910.501](#). The compliance audit is typically performed by an independent third-party auditor, such as a certified public accountant, and is required to be performed to Generally Accepted Government Auditing Standards (GAGAS).

A compliance audit must comply with the applicable provisions in [2 CFR § 910.514](#). When an auditor is conducting a DOE for-profit compliance audit, the auditor needs to assess whether recipients are following the cost principles contained in [48 CFR Part 31 Subpart 31.2](#) as specified in [2 CFR § 910.352](#).

## Who selects the independent third-party auditor?

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The independent third-party auditors are selected and procured by the recipient organization.

## Where are recipient-initiated audits submitted?

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**Single Audit:** Regulations establish the Federal Audit Clearinghouse as the official repository for all Single Audit reports and related forms. All Single Audits and program-specific audit submissions required by [2 C.F.R. Part 200 Subpart F](#) are required to be submitted to the Federal Audit Clearinghouse collection portal at <https://www.fac.gov/>.

**Program-Specific Audit:** The Program-Specific Audit report must be submitted directly to the cognizant OCED Grants and Agreements Officer and via email to [doe-audit-submission@hq.doe.gov](mailto:doe-audit-submission@hq.doe.gov).

**Compliance Audit:** For-profit Compliance Audit reports must be submitted directly to the cognizant DOE OCED Grants and Agreements Officer and via email to [doe-audit-submission@hq.doe.gov](mailto:doe-audit-submission@hq.doe.gov).

## Can a recipient-initiated audit be paid for with award funds?

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The recipient-initiated audit costs may be generally paid with award funds directly or indirectly, so long as the costs meet all applicable cost principles and regulatory requirements of the organization's applicable cost principles. See [2 CFR § 200.425](#).